

**SUMMARY OF LNF REGIONAL CONSULTATION FORUM
LAS VEGAS, NV
December 19-20, 2000**

About this document:

This document provides a summary of proceedings at the LNF consultation forum held in Las Vegas. It is not a verbatim transcript. It is a compilation of notes taken to capture the views and points expressed by participants in dialogue with members of the LNF work group. More than 225 people attended. Workgroup members attending: Jim Crouch, Thomas John, Greg Pyle, Taylor McKenzie, Loren Ellery, Ruben Howard, Joyce Naseyowma and Cliff Wiggins.

[Mickey Peercy, Choctaw Nation of OK]-Questioned the need to have the large consultation meeting in San Diego. He believes the decision will have already been made at that time and that there will be no further need for consultation. Questions the status of the dollars and whether or not they are going to be recurring or non-recurring to the tribes. Believes the intent of Congress is that they should be recurring to the local level. Believes if you do not allocate the funds recurring then you are not making a decision. Reviewed the OK Area position paper and copies were provided to participants.

[Alvin Windy Boy, Chairman, Rocky Boy Chippewa/Cree]-Began by speaking in his native language. There is a word that always comes up during this LNF process-Actuarial. Analyzed that word and interprets it to mean in Cree "pretend, not real, not true, be careful". Is apprehensive of this process. Introduced staff from his tribe. Requests to show analysis done by Rocky Boy. References letter from MT/WY HB denouncing this process based upon lack of respect for the consultation process, many tribes do not have the financial resources to attend the consultation meetings, the benchmark may be too low, the health care cost index that was used may not be the county where a tribe purchases services, using third party resources to offset is wrong, poverty levels and unemployment should be taken into account, delivery of services may be unique, travel costs are not included, differences in CHSDA, differences in the services provided, validity of data, data outdated, HQ data should be verified with the AREA office and the tribe. Recommends a revisit of the consultation process and distribution of funds to the Area level not operating unit level. Then read Chippewa Cree tribe letter denouncing the process due to inadequate consultation, he finds it inappropriate that Dr. Trujillo is not present, referenced letters sent to Dr. Trujillo requesting consultation then referenced letter to Tribal Leaders announcing the LNF Consultation meetings and schedule, the LNF methodology is difficult to understand, the data cannot be validated by tribes, it does not reflect the true health needs of tribes. The Chippewa/Cree tribe recommends beginning the consultation process again, ensure the distribution methodology for FY2001 be nonrecurring until after tribal consultation. He went over the charge of the LNF workgroup there were eight of them.

[Ms CULLOTY TO GET COPIES OF CHAIRMAN WINDYBOY'S DOCUMENTS.]

He went over several questions regarding the LNF. He asked where is the Congressional language requesting the IHS to develop a LNF methodology?

- trust responsibility
- lack of adequate consultation
- reviewed several health statistics of AI/AN people.
- Unemployment of 78% on his reservation.
- He spoke of former MT Gov. Mark Rosco and possible pending position in Bush's cabinet.
- concerned that this could end up as means testing.
- He mentions that voting is important.

[Dennis Smith, Vice-Chairman Duckvalley Shoshone/Paiute]-Wants this process to be tribally driven. Believes that there is need every where at every tribe. Does not know where this is heading? Reviews the meeting schedule. Wonders if it is in order to have a tribal caucus. Believes that tribes need to come together and put their concerns on a flip chart and make their own decision. Says if tribes don't make a decision then the federal government surely will. Reiterates that we can't let that happen. Can we have a tribal caucus?

RESPONSE: There are break out rooms available and that is possible. Mr. Crouch reiterates that an official record is being kept. Explains the process of each meeting. Explains the time frame and why the meetings are happening so quickly. Says yes it will be very easy to have a tribal caucus.

[Smith]-stresses that tribes need to be unified. Lets set the tone.

[(?) of Tohono O'dom Nation]-Provided testimony earlier this year issue regarding tribal members residing in Mexico and the services their tribes provide to them. Also, brought up urban patients and services provided to them as well. Tribal members who are not able to travel to these meetings or those who are not recognized by the committee because they are not elected tribal leaders. Recommends these people be listened to at these meetings. Mentioned several instances where members of the Nation live outside the service area boundaries but need services.

RESPONSE: Rueben Howard asked for clarification of other work going on right now such as active users. Cliff-described that the issue was relevant in other places also and that the LNF WG had requested data to consider including counts for these folks.

[Stephanie Rainwater Sande, Ketchikan Corporation]-disagrees with the numbers being used as they are two years old. Their numbers are 4737 people. Regarding tribal consultation-she is concerned that AK is not able to travel to these sessions and believes someone should travel to southeast AK. Tribal consultation is needed in SE AK because we have unmet need.

RESPONSE: Jim Crouch asks for clarification of the breakdown of the AK Area. SRS-Why were our OUs not broken down as they were in the lower forty-eight. Crouch says that he believed that was how AK wanted it done. Is there any movement on the part of AK to have a breakout available this year. SRS-she will request one. This is a very important issue

to AK.

[Rachel Joseph, Chairperson Lone Pine Paiute]-reviews the Toiyabe Indian Health Project and those tribes who compose it. Perfect tribal consultation for her is when the decision comes out like she wants it to (said in jest). Toiyabe supports the LNF and the process. They support responsible budgeting. [Ms Culloty to get a copy of her document] During the budget development process the group wanted to give new money to those who need it, at the time tribes understood that they may not get any of these funds. Support the use of actuarial based approach to assure an equitable process based on real data. They do not believe the use of the Federal Employees Health Benefits Plan as a minimum benchmark is contrary to this process. It allows an apples-to-apples comparison. Is something members of Congress understands. Not having a common yard stick yields disparity. They support the use of the ~~A~~best available data[@]. Resolution of cost differences should be based upon the use of the ~~A~~best available data.[@] Facility priority list is biased against small tribes. There is not one facility in the entire CA Area. Need for a uniform definition of Operating Unit that is applied consistently everywhere to avoid "paper units" formed to "game the system." Resource distribution should be timely. Funds should be distributed prior to budget hearings to assure the appropriators that desperately needed funding is getting to places with the need. Mentions positive affects of this process in the political environment. Believes that this will allow for better patient care. Believes there is not a perfect funding formula but that everyone needs to work to make the formula and data as good as possible to assure everyone that it is reasonable and fair. We need to concentrate on obtaining more funding overall.

[James Sanktidore, Blackfeet of MT]-I am not here to ask but to tell you that I need \$25M of those \$40M available. He says the structure does not work with the people in the front of the room and great leaders sitting in the back. He mentions the responsibility to provide health care. He is saddened by the system of fighting over a slice of the pie. ~~A~~He cannot take away from another persons child.[@] Message to Dr. Trujillo--We people at the local level know our rights. We know what is ours. Why do we continue to ask when we own this county. The Senate is evened up. He is not afraid to speak because they know the law and understand. We need to take this back (tribally driven process). He was put on the council to wake people up. He is tired of asking. He is here to wake us up. Technology is beautiful but he is a traditional Blackfeet. We have to bring it back to us. We own the place. We are the landlords. Dr. T. controls what is most dear to his heart-his child's health. Raise your voice wherever you are. How can you split a pie? The system has done nothing for us. Go home and think about this system.

[Lee Olson, VP Finance, South Central Foundation, Alaska]-The OU breakout was primarily done because the Area Office had decided to do it that way. He does not believe there was a lot of discussion then, there was some turmoil within the Area at that time and that may be when that decision was made. There is now an LNF data workgroup. CSC workgroup issue has also been discussing an item regarding how contract support cost funds are counted in the LNF methodology. READ A STATEMENT. States there is an advantage to federally operated units over those that are compacted or contracted. The resources available to a federal facility are not identified readily as they are for others. [Ms Culloty to

get a copy of the document]

[Buford Rolin, Vice-Chairman, Poarch Band of Creek Indians]-Mentions involvement with the NIH. Cliff hit the nail on the head this morning by saying the needs of AI/AN people are not being met. Concerned about the breakdown in the LNF report. He is concerned about the external factors being used such as the cost indexes, risk factors. Federal Govt has a trust responsibility to provide health care. All funding appropriated to the IHS should be included in the calculation not just select items. References PL94-437 and the language that third party collections cannot be used to offset funding amounts appropriated for IHS. He mentions that as a Title V tribe he is able to bill for services but does not collect the full amount as a direct facility would. He states that the user pop numbers being used are inaccurate; they do not include the other people tribes have to provide services such as member of other tribes and descendants. Health status indicators are not reflected at their true levels. Tribes who contract or compact already include all dollars including tribal shares. The percentages for Internal versus externally purchased care based on area budget allocations are not accurate. The figures being used are not being validated by the tribes prior to use. The figures being used as reflecting 100% of need are inaccurate. Each tribe has needs. He is happy that the AI/AN people finally have a person in the front office of the DHHS. Worries that we getting to the point of means testing. At what point will Congress say you only have \$40M – you (the Indian people) have to decide how the money should be used.

RESPONSE: Rueben Howard -- Regarding the offset issue, he has a conflict with that particular part of the formula because it assumes other coverage's are the same for each tribe. He would like more feedback on how to address. He believes we have to show some kind of offset due to the scrutiny of Congress. Collections are documented by the IHS for Direct service tribes and Congress has access to these numbers. We have to compare apples to apples.

Buford Roland -That is why you need tribal involvement.

Cliff-points out the contradictory phrases in the law one says you can't offset, one says you must.

Buford Roland believes that tribes have the capability to look at this and come to a conclusion.

[Tim Martin, Executive Director, USET]-USET is formulating a position paper that will be submitted at the DC meeting. He questions the use of CSC in the formula. He references the language that CSC is to be an addition to the base. The USET tribes believe that CSC should be excluded and that each tribe should be treated equally. He believes that if the process is too complicated then it should be thoroughly explained. Also brings up the issue of consultation and specifically the San Diego meeting. He wants to make certain that the San Diego meeting is consultation and that the Director is not just going to announce his decision.

RESPONSE: Rae Snyder Dr. T. has been very specific and the San Diego meeting is consultation. The Director is committed to the consultation process. There will be no decision made prior to the March meeting.

[Mr. Martin]-Would like for the workgroup to challenge Dr. T. to make a decision which may be contrary to Congress=direction. Follow in principal but make certain you have the support of the tribes to back you up as was done in the CSC allocation. We are not mainstream America, we are unique and should be treated as such. He urges the group to step back and find the common threads (funding) and compare those between tribes, such as CHS and H&C because all tribes receive these categories of funding.

Group decides to stay in a single group session by show of hands.

[Dennis Smith]-Reiterates his request for a tribal caucus?

[Alvin Windy Boy]-How many people understand the process of what is being undertaken here and where it is going?

A room is made available for the tribal leaders caucus.

[Rachel Joseph]-She is happy that there will an opportunity to caucus but she thinks the group should have the opportunity to continue as a group and express their views this would be a learning experience for all. Group agrees to continue working to share views together and that in mid-PM, tribal leaders will attend a caucus while the balance of attendees will continue the dialogue.

[Wanda Stone, Chairperson, Kaw Nation]-When will there be responses from the LNF WG addressing the points expressed this morning? She is not certain everyone understands, she admits she doesn't.

RESPONSE: Jim Crouch goes over the process regarding the meetings and the schedule for a decision. He also explains that the LNF WG members are primarily interested in hearing the views of the tribal leaders rather than in wasting your time with our personal views. However, the LNF WG members will respond to questions and increase the amount of dialogue in the afternoon after we assure that all tribal leaders have first had an opportunity to make their statements.

[Louis Hill, Tribal Council, St. Croix Tribe]-His tribe is one of three tribes that is funded at under thirty percent. Request that these three tribes be funded at a higher level. He sees the devastation at his tribe. He sees a group sitting up front that wants tribes to fight over 40M. Each tribe here has an interest in what is happening. The decision has to be able to be presented to show that the funding was distributed as mandated by Congress and go to those who need it. He quotes the specific language from Congress directing the IHCIF fund to "those tribes with the greatest health status and resource deficiencies". We have some fights coming up with the Republican party. It is going to be difficult and we have to stick together if we are going to win. I put my faith in you guys (points up front).

[Tim Martin]-Gives guidance to the LNF WG to continue with open microphone this morning and during lunch formulate the key issues and address the process of those after lunch. Then at 4:00 p.m. allow for the tribal caucus and allow presentation of the tribal view first thing in the morning.

[Dennis Smith]-He believes that each meeting should be summarized and the key issues from each meeting brought to the next.

[Alvin Windy Boy]-He asks the group if the Aberdeen position presented at the Minneapolis meeting is available.

[Stephanie Rainwater Sande]-Is it possible for a tribe to send in their tribal information for consideration. They are one unit in AK and would like to send in their specific information.

RESPONSE: Cliff --Each tribe must be treated equally. If there is separate information sent from a tribe in AK and the rest of the AK Area disagrees the LNF WG is not going to know how to resolve this.

[Stephanie Rainwater Sande]-In recognition of the govt-to-govt relationship she will send in the information and the Ketchikan Corp would like to work with the federal government and not the Area office.

RESPONSE: Chief Pyle of the LNF WG says he would like to see the information SRS wants to send to the WG. The WG is interested in all input from tribal leaders.

[Melissa McNiel, Cherokee Nation]-Indian Country has been successful in obtaining additional healthcare funding for AI/AN people. We have been successful because we have remained unified. We all agree that all of Indian Country is under funded. We in OK understand every ones concerns. We receive \$800 per capita Reads statement .

[Ms CULLOTY TO GET COPIES DOCUMENTS.]

Nowhere does the law or methodology say that because an tribe does not receive funds from the IHCIF does that it means they do not have an unmet need. All tribes remain under funded compared to the 100% benchmark for FEHBP. We need to work together to obtain additional funding for the entire IHS budget and distribute the IHCIF funding using LNF.

[Alvino Lucero, Pueblo of Isleta]-It is going to be hard for every tribal leader to accept how the funding is distributed because the cost of health care delivery is different for each tribe. We have to come to a consensus whereby all of us will have to come to some kind of agreement on a formula. If we don't come to a consensus then IHS will say we gave you the opportunity to come together and develop a formula to distribute \$40M and you did not do it, therefore we will make the distribution the way we want to. He hopes that consensus will be reached prior to San Diego. He has suggested that the tribes in Alb. come together and meet to develop a position prior to San Diego. Lets work together. Lets not talk

about means testing. Don't pit tribe against tribe. He sees that during Indian meetings we have breakout groups with one group here and another there then we come together with each having a plan and then we can't agree. Costs are different throughout the country, but we all have the same problems, diabetes, heart disease etc. He hopes that all of us will work together to obtain additional funding to address these concerns for all tribes.

[Sylvia Parra, Tohono Odom Nation]-We truly wish that we were not one of the tribes who fell below 60 percent because that would mean our people were receiving more health care-not fully adequate, but more than today. We are not asking for anything greater than coming close to the average level. Mentions Oklahoma and the great need there.

Afternoon format includes an overview of the LNF formula.

[Dennis Smith]-questions the structure of the LNF WG and their charge?

RESPONSE: Crouch-This will be completed after Cliff's overview of the formula.

At this point Cliff walked through the main points from the "LNF PRIMER". He identified those issues on which considerable comment had focused and parts that the WG had revised for 2001 or were considering changing for 2001. Some key points are:

- fairness and consistent treatment of all tribes is the foundation
- improve the data by more local involvement
- identified the strong interest in health status in the formula

[Jim Crouch, California Area]-Gave an overview of the Congressional direction in FY2000 appropriation language which directs the IHS to look at the issue of equity. From this direction Dr. Trujillo formed the LNF WG. Crouch serves as the tribal Co-chair of the LNF WG. LNF basic principles include an apples-to-apples comparison and use the best available data. The basic number used is IHS resources available to you. This process is trying to address inequity. One interesting fact uncovered was that the IHS population is very young and that costs for the young are usually less than for older persons. But there is the issue of the health of Indians which raises costs.

[Greg Pyle, Chief, Choctaw Nation of OK]-The total increase for FY2001 was approximately \$230M for IHS. This is the largest increase he has seen. He believes this is because Congress likes how the money is being spent to fund the healthcare of AI/AN people. References the LNF Primer and its merit for use as an Executive Summary of the LNF process. He says that each one of us have an opportunity to get caught up regarding this process. He recommends calling your Area office and getting technical assistance. Every person has an opportunity to learn about this process including detailed information. Why are we here? Congress directed the IHS should distribute the IHCIF in accordance with the Level of Need methodology to ensure that the most under-funded at more equitable levels. He reiterates the fact that no matter what your Area you have people that you serve that are not counted. There is not a committee that decides who lives or dies. There are several tribes who are at a priority one level. What we are talking about is Indian lives. Gives analogy

and says that if we are not careful with the 230M increase we could put it in jeopardy by fighting among ourselves and failing to show the Congress that it was a wise use of funds. He is all for tribes that can and do offer cosmetic surgery and orthodontics. He had to campaign for his position and he saw that Diabetes was a problem. The worst thing that Tribal Leaders can do is to be here and have a chance to make a difference but don't. You have the chance. Choctaw will be saying to Washington that the money was extremely well spent and we need more. We will not be running any other tribes down. He has debated taking some of his members who are 37 years old and blind due to diabetes. Wrap around services have not been addressed. The majority of the increases are going out the same way historically except this small portion. Look into your heart on the way home and make a decision whether you are going to make lives better for Indian people or if you are going to do nothing.

[Dr. Taylor MacKenzie, Vice President, Navajo Nation]-Dr. Trujillo awaits the suggestions of the LNF WG. He hopes that we can expedite this process and keep it moving. The Navajo Area is developing a LNF position. The Navajo Nation is listening to the comments made so that they may refine their position to include suggestions from other Areas. The Navajo sees this formula as provisional because we are in the first stages of using this kind of approach. It takes some time to fine tune things. The refinement needs to continue until all of Indian Country is satisfied with it. The Nation believes this formula is temporary until such time as all of Indian country agrees. The formula should be flexible so that it may change as tribes change. The Nation does not support the use of third party resources in the formula. There is some feeling from some Areas that the entire IHS budget should be subject to LNF to address equity, but the Nation believes this is premature. It requires more money to maintain equity. The IHCIF needs to be recurring if it is to address inequity. We complain about the conflicting legislation regarding third party collections but we don't take care of the problem. Mentions the IHCIA process and the entitlement discussion. He believes that something similar should be done regarding the use of third party collections as an offset. (Commission a workgroup to study this and make recommendations) Initial inclination of the Nation is to not include wrap-around services in this formula, but a decision has not been made yet. The Nation supports the use of Operating Units but urges consistent definition and application.

[Tom John, Nashville Area]-The resources available to AI/AN are less than that available to the general public. The LNF WG did fairly well in showing this gap. He agrees with the problem with the data, but it is the best that we have. He agrees that this is an interim formula and should be looked at each year as new data is available. This was done in an effort to look at the inequity. How do we maintain the comparability. The challenge was how the information was applied at the local level. How do we obtain the data and apply it. Is this approach acceptable for actually comparing funding levels on a tribe by tribe basis? How do we validate it?

[Loren Ellery, Phoenix Area]-He believes the most important aspect of this process is that we are communicating the need to Congress. He believes this is just the beginning and not the end. He wants the funding to be more. There is no perfect formula, he does not think we will ever agree, but he does believe that we should take the best formula we have forward

and get more dollars. We are here to follow Congress=directives. Such as, the establishment of a minimum level of funding, the LNFVG does not know what this means. Also, have to address the use of third party resources issue. Health status, a better cost index, attempt to disaggregate the 745 dollars. These are difficult decisions and the LNFVG will not be making them they will make recommendations to Dr. T.

[Joyce Nasseyama, Albuquerque Area]-Her participation on the workgroup has been very educational. She has a new understanding and appreciation for the delivery systems for AI/AN people. She believes LNF has given a definite measurable cost for health care for AI/AN people. This is very scientific and Congress is looking at this. A point of reference is the health care systems that exist outside of the IHS. The data is not readily available. IHS is not at the point where it has the capacity to generate data. We have learned that IHS needs to address this problem. She does not believe that third party collections should be included. The User pop numbers need to be looked at as well. The separation of wrap around services in this formula poses a problem when some follow-up services are provided by CHRs. Albuquerque does not have an identified health care benefits package. We need to be able to forecast costs. In response to earlier questions about whether IHS had dictated to the WG, she said the group was independent and not dictated to by the IHS. We had discussions and did not agree with some of the things that were included but after discussion things were taken care of.

[Dennis Smith]-Question regarding a comment made Ayou haven't used the money we gave you so why should we give you any more@Did we give money back?

RESPONSE: Crouch No money was given back.

[Smith]-Why are we working at the 60 percent level? Is that mandated?

RESPONSE: Crouch The LNFVG chose to look at the IHS average of LNF which is 60 percent. Dr. T. allowed the LNFVG to use this figure.

[Smith]-Question regarding those tribes who are not going to receive funds.

RESPONSE: Crouch--We need more funding to bring all tribes up to 100 percent level of need. Right now there are tribes who will not receive any additional funding from the IHCIF, but you get a share of other pots of funding.

[Smith]-So you want those of us who are not getting any of these funds to go to Congress and ask for additional funding for all of IHS.

RESPONSE: Crouch-Yes. Pyle-This is very small increase when related to the entire 230M increase. Congress has appropriated more money to the IHCIF because they like what Dr. T. did with it last year.

[Crouch]-The CA strategy with Congress is requesting 1.2B to help all AI/AN people. We ask for 300M increases per year to get to the 1.2B. There is a huge under funding of the Agency. What is appropriate for Indian Country, how should this process be reported to Congress?

[Smith]-Will one of the tribal co-chairs be available for the Tribal Caucus. The group would like to present first thing in the morning.

RESPONSE: Not sure if it will be done first thing but it will be done.

[Mim Dixon, Cherokee Nation]-Provides some comments on proposals to give greater weights to health status and opposes this. There is a problem with applying data to a smaller area (local level vs. national level). She is introducing a paper from the OK area addressing the use of health status indicators. Health status is difficult to measure there are not good choices out there. Such as death rates and the undercounting involved. When you are talking about very small groups the statistics become diluted. When you break down death rates to the local level then you magnify the problem. SIDS deaths are tragic but there is no treatment or prevention therefore it does not cost money. Whereas diabetes costs nine times as much to treat. Tracking death alone does not produce good health status data. No one in this room will say that they work for a tribe with good health status. She thinks that using health status as an indicator compounds problems. Oppose the idea to increase the weight of health status.

[James Sanktidore, Blackfeet]-Reiterates that Dr. T. should meet with the Tribal Leaders prior to making this decision. It is hard to understand how we got to where we are, he cannot pacify the federal government any longer. He asks the LNFWG not to pacify the federal government. He asks the workgroup to charge Dr. T. to make a stand for Indian people.

Mid-PM Break.

The tribal leaders adjourn to the caucus room. Discussions continue for those not attending the caucus. A separate paper will document the discussions in the caucus.

(unidentified person) Will the formula developed be a perpetual policy that Congress will continue to follow. He raises this in the interest of the Trust Responsibility.

RESPONSE: Dr. T. believes that there is not a cookie cutter approach to adequately address all the health issues and diversity in Indian country. The LNF process is only one part. The law does give some discretion to the Agency Director to allocate resources. The formula would be revisited regularly and updated with new data as it becomes available.

[Juana Casillas, IHS Tucson Area]-The FEHB mentions in-patient and ambulatory but not dental. Is dental included?

RESPONSE: Cliff-Not all mainstream health plans include comprehensive dental services. Some parts of IHS dental programs are not part of most plans. It is a grey area dependant on the benefits package offered. Some dental benefits are counted, but not all.

[Marlene Hanifrey, Billings Area]-Question regarding the number of visits and how they are

counted for example some visits count and some don't.

[Cliff] The model is based on average utilization and costs for large populations. Over the long run, individual variations in use and cost should average out.

[Dr. MacKenzie]-We don't have confidence in workload data.

[Cliff] Added that workload data problems might impact the accuracy of user counts.

[Sherrie Lion, Albuquerque Area]-Question regarding pharmaceutical costs and the rise in these costs. Some benefits packages do not include these costs. Should we be lobbying for these costs to be included in our benefits package.

RESPONSE: Cliff-yes pharmacy costs are included in the FEHB but they are deductibles typically. Everyone has mentioned the skyrocketing costs of pharmaceuticals. The LNF WG is looking at inflating that amount in the formula. We may be looking at increasing the benchmark cost for inflation. Some data suggest the increases might approach 10%. Other estimates are less. The WG will get a scientific estimate.

[Marlene Hanifrey, Billings Area]-explain how CSC was taken into account in this formula.

RESPONSE: Cliff-CSC was not looked at separately but the LNF WG will be doing this during this cycle. Last year each "overhead" account was considered proportionately. This year the WG is looking more into CSC to see if this is appropriate.

[Sherrie Lion, Albuquerque Area]-The Albuquerque Area does not necessarily have the 745 third party available to them. Private insurance is minimal. The number being used is inflated for some Areas.

RESPONSE: Cliff-Other coverage is both collections and costs that you do not pay when patients have bills paid directly by third parties. IHS collections are about \$450m, but the estimate of resources covered by others is over \$1b. This means more than half is not collections, but rather "cost avoidance – someone else pays the bill". The issue is one of credibility-has the workgroup made a thorough attempt to account for these other resources so that Congress does not view the study as padded numbers.

[Dr. MacKenzie:] Reiterates the problems with counting other resources and the Navajo opposition to counting it.

[Joyce Nasseyama, Albuquerque Area]-The workgroup will be getting a legal opinion regarding the inclusion of this piece in the LNF formula. Dr. T. needs to review this and the recommendations opposing the inclusion. We need to keep bringing it up.

[Cliff]-The committee was adamant about this position and wanted two LNF reports one with the third party collections included and one without. It is the responsibility of the Director to weigh the response and opinion and make a decision.

[Marlene Hanifrey]-Why are we including the non-recurring dollars in this formula.

RESPONSE: Most funding to the Agency is recurring even though it is not recurring to the tribe therefore, it is included because we need to balance to the total appropriation. He believes non-recurring funds should not be included at the local level but included Area wide.

[Jimmy Wallace]-Are Tribal Shares included in this formula.

RESPONSE: Cliff- Yes but this year the LNFVG is looking at a deduction to prevent duplication.

[Jimmy]-is this all shares or just those in H&C? Will they include sanitation tribal shares.

RESPONSE: Only shares related to the benefits package are counted. Shares related to sanitation and other wrap-around type programs are not counted.

[Jimmy]-His opinion is that tribal shares should not be included in the LNF formula. Is there somewhere on the website that shows the specific allocation given to each tribe.

RESPONSE: Cliff will get the website info for Jimmy.

[Ketchikan Corp representative]-Why was AK lumped together when there are several service units there. When you look at the AK Area as one OU it appears that Ketchikan is okay when it isn't.

RESPONSE: Cliff--The LNFVG looked at the AK Area and the All State Compact. The Area Office was involved and somewhere there was a decision made to count AK as one OU but this was not made by the LNFVG. The LNFVG is interested in seeing the breakdown.

There was a question about defining users by zip code of residence. To alleviate this she believes that the workload figure should be looked at.

RESPONSE: Cliff-Good point. It raises the issue of which OU gets to count a user in the instance when a user goes to different facilities. Frequency of use might be a better way to designate which facility counts a user than is community of residence.

[Portland Area Representative]- Questioned how to count recurring dollars appropriated to Portland area for one tribe (Lummi Education Project) which actually benefits all of IHS. The entire Area absorbs this cost even though all tribes do not benefit from it and tribes in other Areas do benefit from it.

RESPONSE: Cliff-These funds should not be counted to the Portland Area but accounted for at a higher level.

[Portland Area Rep]-How are we going to account for tribal shares? She does not believe the tables for reporting available resources reflect that breakdown.

RESPONSE: Cliff-you may breakout tribal shares in as much detail as you need to assure that funds are adequately and fairly accounted for. In the spreadsheet for reporting you should sum up the tribal shares as 2 subtotals--area office shares, and HQ shares. This is done to prevent duplication of shares when other area-wide resources are reported.

[Portland Area Rep]-Is there a problem with inclusion of Area wide line items. Are Self-Governance tribes being charged twice in some instances.

RESPONSE: Cliff-this year the approach will be more specific to account for tribal shares separately so that amounts are not duplicated for those tribes that have taken shares.

[Jimmy Wallace, MS Choctaw]-References page three of the LNF Primer and the assumption that the cost for health care for AI/AN people is the same as that for the general population, where did this come from and does the LNFWG agree with the statement?

RESPONSE: Cliff -- This is the finding of a study done by the Actuary. There is some concern by the LNFWG. The study assumes costs are the same for persons of the same age and sex. Some believe that real costs might be higher for Indians even after adding 15% more because of low health status. However, the WG chose to accept this value because it was independently produced and has greater credibility. And, even if the benchmark cost is not precise, it still shows a huge gap in funding for Indian people.

[Marlene Hanifrey, Billings Area]-Questions the inclusion of non-recurring funds and asks the LNFWG to look at this issue again.

RESPONSE: The LNFWG will look at it again, but how can we be fair if it is not included in a consistent way for all places. Also Congress assumes it is used for health care (and it is but just in varying amounts yearly).

[Rosemary Lopez, Tohono O' dom, Tucson Area]-Their level of need is reflected at two different levels depending on which report you look at. We have a physician that works at the Tucson Area is that counted against our tribe?

RESPONSE: Cliff-It would depend on if the tribe was receiving health care services from the physician.

[Lopez]-Does not see any evidence of service from this physician. She does not believe that third party billing should be included in this formula. How does the Nation ensure that the physician is not taking away services from the Sells Service Unit.

RESPONSE: Cliff- WG is in no position to speak about the placement of the physician, but he can work with the Tucson Area to see that costs are counted properly.

[Juana Casillas, IHS-Tucson Area]-How are facilities being counted in this formula?

RESPONSE: Cliff-They are counted based on useful life and depreciation. Facilities built with federal funds that are still on the books are counted. This is relatively small part in the big picture with ANMC being the exception.

[Casillas]-Are you counting these costs as an Area wide cost.

RESPONSE: Cliff-No. The depreciation for each facility is specific and is provided by OEHE. HQ will plug in the exact value for each facility from the official capital assets tables.

[Garfield Little Light, Billing Area]-Three funding areas are mandatories, special initiatives, and buildings these categories bring funds into the Area. The fourth funding source is IHCIF. If you get some of the first three then what needs are supposed to be funded with IHCIF funds. What is the IHCIF supposed to do? Everyone has need within IHS and I don't believe that the Congressional Directive assumes that there is an Area without a need. Has the LNFWG contemplated establishing a minimum allocation for all then the rest allocated via the LNF formula.

RESPONSE: Loren Ellery-Good question. The LNFWG is looking at the establishment of a minimum as directed by Congress. This can be interpreted as establishing a minimum for all tribes and then distribute the rest to the most needy. Or it could mean establishing a minimum allocation for those most needy. He believes that if you give everyone something then it will be an easier sell.

[Cliff]-brings up the graduated scale which was proposed in Minneapolis. In a graduated scale, more \$ would be target to tribes below 60%, less \$ to tribes < 80% and less \$ to tribes < 100%. However, all tribes would get some \$.

[Tim Martin]-Why are residual funds included?

RESPONSE: Because it is money appropriated by Congress for health care services and is used for that purpose. Residual is a distinction only with respect to computation of tribal shares and what functions tribes may contract for. Any way you look at it, it is still \$ that support the provision of health care services to Indian people.

DAY TWO

[Rhonda Butcher, Citizen Potawatomi Nation]-The Nation supports the adoption of the allocation formula. While not perfect it is based on sound actuarial principles. They recognize that there will be refinements. They support the inclusion of all funds including CHS and H&C and believe that non-recurring funds should not be included. There are no good broad based health status indicators available. It is more appropriate to use health status indicators for the wrap around services formula that may be developed, not the LNF.

RESPONSE: Crouch-How do you propose the CHEF funds be allocated if they are not

charged to the tribe?

[Butcher]-Charge them to the Area similar to the way residual funds are allocated.

[Leon D., Hopi Tribe]-Comments regarding importance of native language and his appreciation of the opening song in a native language. They support the LNF formula they know it needs to be refined but it is a good start. This is my land. Many of our people have been to war and are veterans. Hopi has been on this land for quite awhile. We have our own radio station KULL which means water, food for thought. Today is the grand opening and dedication of the station. A Hopi village was dated back to 600 AD. We had our own medicine people back then. We were a close knit society then as we are today. When someone came by we sheltered them and fed them. In 1640 the Spaniards found the Hopi, then for forty years we were enslaved by the Spaniards. In 1680 we said this enough. Continued to give a history lesson regarding the Hopi Tribe. We are under a different rule today but are undergoing the same oppression. It is time for us to stand up and say to Congress this is who we are and what we want. We have to do this for our grandchildren. We have to look at the people in the community to help with our systems. They support the formula and the use of it to get funding to those who most need it. They believe that we should concentrate on funding those under 60 percent and then lobby Congress for the additional 1.8M that is needed.

[Arlene Melendez, President-Washoe Shoshone Tribe](don't know if I captured his title correctly)-Overview of the Tribal Leaders Caucus. There were tribal leaders who believed we are on the right track and those who didn't. He believes we are on the right track. Makes a statement that some tribes believe they are being driven into a formula and he points out that we have been in a formula for some time whether it be the BIA or IHS. He gives a CHS analogy. His tribe lobbied for additional CHS dollars and when they were appropriated they were sent to all tribes not necessarily his tribe. It was this situation that made him believe that we need a formula such as the LNF. He points out the high cost of health care services in the state of NV. He has heard that this formula may pit tribe against tribe but it depends on what we do with it. He has heard people speak of traditional ways and it is not our tradition to leave our wounded and not provide for our elderly. He is a realist when looking at this. We are going to have battles to fight in this Republican administration. We have to work with what we have. We can adjust the formula and try it by application then adjust it again. He believes that this formula can be flexible and will allow for adjustment.

[Jerry Adam, Seminole Nation of OK]-Health care is one of our priorities. During council meetings we never come to consensus except on one thing-- health care for our people. He thinks the formula should be fair to all tribes.

[Perry Beaver, Creek Nation of OK]-He supports the formula as it stands now. Lets get the money out. Don't leave it in Washington. He knows there are tribes that don't have adequate funding. He does not want to take money from those who have it. He just wants to be funded at their level.

[Linda Francis, Otoe-Missouri]-She has tribal members who are suffering as a result of inadequate health care funding. She supports the LNF process and thinks we should use it and move forward.

[Garcia, Tohono O' dom]-Needs clarification regarding LNF recommendations submitted to the IHS Director. Did he follow those recommendations. The Nation is doing as much as we can to serve our people. Regardless of how much money Congress appropriates you (IHS) has a responsibility to provide health care to tribal members. You have to go out to the Areas so that you can see what the tribes are facing. IHS has a responsibility and obligation to provide assistance.

RESPONSE: Crouch-The Director is the only person that can make the final decision regarding distribution of funds. The LNFWG was put in place to assist the Director by providing recommendations. This past year the Director largely followed recommendations but with 2 exceptions. He put \$1m through the CHS formula and he made the allocations on a non-recurring basis. This was to allow more consultation.

[Jerry Freddy, Navajo Nation]-He appreciates the tribal consultation process and the opportunity to learn and share our recommendations regarding LNF. When we make recommendations we think of the distance, economy etc. Tribes need to validate their numbers. Navajo supports fair and equitable treatment of all tribes and tribal organizations. They support the equitable and consistent application of the definition of operating unit. We need to focus on lobbying to increase the funding base for all tribes. We need to know the IHS budget inside and out. Some of us don't do that. We talk about our traditions and what we know about it. We need to look at the IHS budget in the same way. Get technical assistance from your IHS Area office. At his tribe they see older people for secondary and tertiary care rather than primary. Old people wait until they have big health problems before seeking help. Opportunity is there in Self-Determination. If you look at budget formulation and health indicators you see where the funding is. There are changes going on and how we address it is the key. If you have a stable health care providers then that shapes the success of the health program. The federal/state relationship has to be followed as well ie. block grants, medicaid. We have to look at everything and not have tunnel vision when it comes to this.

[Louis Hill, St. Croix Tribe]-Funding has been a problem in Indian country for years. He is here to ensure that the Congressional intent of the allocation is followed. He will go anywhere to fight for what little they have left. There are going to be new difficulties with the new Administration. Indian people have to pray together. We have to make sure that these people who have suffered for years will get some relief. The LNFWG has a hard job ahead of them and he prays they follow the Congressional intent. His tribe is one of three who is funding under 30 percent of need. They subsidize their healthcare with tribal funds. He prays that these wrongs will be corrected in the LNF process. Lets avoid the "poor me" stories and make the distribution soon.

[?, Albuquerque Area]-He observed the workgroup since its inception. He appreciates the workgroup and the job they have done. Need assessments have been done throughout the

country and we need to use them. He has three Navajo communities. They want their share of the funds that are available. For a long time they have depended on the IHS to develop formulas. Since, 1975 we have not done anything with a formula to help us and not the IHS. We are at a point now that we can do something with a formula. There is one hospital that serves three communities. In order to get his funds he has to make sure that he works closely with the IHS. He introduces his tribal staff and Alb IHS staff. He wants to be sure that he is not caught in a catch 22.

[William McKee, Jr., Wyandot Nation]-We have increased our services including HP/DP. He is here representing Chief Bearskin. He would say that we are losing focus here. We support the LNF. Lets not miss the elephants while stomping on ants.

[Wanda Stone, Chairperson, Kaw Nation]-Appreciates the work of the LNFWG and opportunity provided through consultation. Would like to go on record that they support the LNF as is, they do not feel that it needs to be changed with the exception of data improvement. 40M is not a lot of money but we need to get the money out. If we don't then Congress will think we don't need it. The funding should go to those under 60 percent first then others. We have to let Congress know that there is still a tremendous unmet need.

[Lisa Brown, Chickasaw Nation]- Support the LNF process. She read from a statement. They are funded at 63 percent but are still unable to provide adequate health care. We are not going to get any of this funding this year but we support those who are funded at less than we are getting funds from the IHCIF.

[James Sanktidore, Blackfeet Nation]-Would like to see the letter announcing this consultation process, would like to know if tribal leaders were involved with the formulation of the formula. He comes from a tribe who believes they are almost totally sovereign. In the future he will not come to this meetings until they are structured in a respectful way. He respects all the leaders who are here. When are we going to stop accepting this disrespect? This is not our process. I do not know what the process is to pick the Director of IHS but he wants to be involved. In the future we are going to be running this country. He knows that the people on the LNFWG are qualified. Who gives the authority to limit my health need at 60 percent. He requests that the formula be put to a tribal vote.

[Mr. Bruno, Warm Springs]-Reference the Billings report to the tribal leaders caucus. After much discussion it was concurred that this is a refining process and will not be set in stone. This needs to be communicated to Congress. We believe that this is something that we need to do because there are tribes who are grossly under funded. Believe that the first nations people should support this process that will help those in need, but we should also lobby Congress for additional funds that will help all tribes. Thanked the LNFWG and Chairman Smith for his organization of the Tribal Caucus.

[??, Chairman, Pawnee Nation]-He has been observing and trying to keep up. He has heard good comments on both sides however there are a lot of tribes in need. We have been struggling with funding in OK since 1985 when he became Chair. He believes we need to work with this formula. Now we can't wait. He thinks we need to work together.

[Norma, ??]-Their tribe is funded at 61 percent but they have many needs. She gave statistics specific to their tribe including rural issues, ambulance, and pharmaceuticals. She is here today to learn about the LNF and take the information back to the Tribal Council. This formula we apply should be very fair. It is scientific and data driven and tribes have a responsibility to check the numbers. She spoke of injury prevention and its inclusion in the wrap around services. She encourages the group to include injury prevention in this formula.

[Tohono O'dom Nation]-They support the LNF. We are focusing on the details and losing site of the vision. If we don't take care of our own then why would Congress.

[SRS, Ketchikan]-Has been listening and we have all talked about unmet needs. When Rocky Boy did their presentation on the LNF and didn't agree with the numbers reported for them. How then can we agree with those figures presented in Tab C of the LNF report. We agree that we need to work with this formula because it is what we have, but in the future we need to be as accurate as we can be regarding unmet needs. When we go the Congress and lobby for more funding, what numbers do we use for unmet needs? According to Tab C we have 102 OUs under funded at less than 60% and AK is presented as one OU. Can we rely on these figures? Can we use these with Congress? How are we going to unite and present a united front to DC? It has been her experience that Congress does not have a clue regarding how tribes receive health care. She has to explain the process to people on the Hill. The LNF WG is working with outdated data which is two years old, she believes if the numbers were updated the picture would change. If we go to Congress next time with a different unmet need we will be asked where did you get all of these people? She would like to have accurate data and present a united front to Congress. She is concerned that Congress will not be saying the same thing.

[Buford Rolin, Vice-Chairman, Poarch Band of Creek Indians]-Referenced the tribal caucus last night. He appreciates the position the LNF WG is in. Six years ago we did not have this funding to talk about. Mentions redesign and Dr. T's involvement of the tribes. Dr. T. has a history of involving tribes in the decision making process. USET supports LNF as a concept but we disagree with some of the methodologies used and want them addressed. Rocky Boy gave some examples. Budget formulation began four years ago with a need of \$8B and it is now at \$18B, which we believe to be the true need. We have enjoyed increases to the budget under the Clinton administration. Why? Because of us – the tribal leaders here and around Indian country. We need to be here and speak loud and clear so that our views can be taken forward to Congress. If we only got a nine percent increase this year and inflation is six percent then we only received three percent. We know who the President will be and he has not backed down from his tax cut plan. If the plan goes into place we will be affected, our budget will be affected. He mentioned pharmaceuticals and the high cost. We have to look at the entire picture and the realities. The Budget formulation process continues to bring us together and we need to speak with one voice in this process as well.

[Rachel Joseph, Chairperson, Lone Pine Paiute Shoshone]-Recommends distribution of funds

on recurring basis. She understands the difficulties of trying to do what is right for all AI/AN people. We need to leave this meeting and all speak with one voice. We need to be lobbying Congress of our true need which is 18B. The charge to the budget formulation workgroup this year will be to improve the justification of the 18B budget. She gave figures that we should be asking for but I did not get them.

{Mike Lincoln, Deputy Director, IHS/HQE}-Mr. Lincoln gave an overview of funding received in a bill passed on Friday. An additional \$70M was appropriated for diabetes raising the total from \$30M to \$100M. The \$100M will be appropriated for 2001, 2002, 2003. \$30M was added for alcohol and substance abuse. The language gave very specific instruction for use of the \$30M including direction that \$15M will go to the Alaska area. The funds can be used for prevention and treatment. A provision was added that would allow tribal clinics to bill for Medicare part B services beginning July 1. It is estimated that this will bring additional revenue to tribes. The Medicaid demonstration project funding was not included in this bill due to the overlap with the Medicare part B services language. The IHS appropriation for FY2001 was \$2.604B this action amended the appropriation to \$2.634B. The additional \$70M will flow from OMB to HCFA to IHS. The bottom line is that the FY2001 budget increased originally by \$213M over the FY2000 budget. The additional \$100M increases this to \$313M additional. Add revenue increases for Medicare physician services which is estimated to be in excess of \$50M. This will be effective January 1. All in all, FY2001 is a good year budget wise.

Finally, need to make sure there is a companion methodology for wrap-around services that is similar to the LNF for personal health services. This should include prevention and community based activities, which are important for raising our health status. Dr. Trujillo will convene a roundtable discussion concerning the companion piece that is needed.

Members of the LNF WG then spoke to things they had learned during the consultation and items Commit they will pay attention to....

Cliff-It is useful to come and hear directly from the tribes their needs. The WG will be working towards fair and equal treatment of all tribes in this process. They will immediately appoint some knowledgeable people to look into the CSC funding issues. The information will be brought to the LNF WG in February. On a second topic-How do we come together with one voice? How do tribes go to Congress and represent all tribes? He believes tribes should talk about the LNF funding needs as part of the "umbrella" budget developed by the tribal budget formulation process. The LNF medical part is vital but is only part of the bigger need. LNF is relatively conservative. It identifies medical needs of \$4.5B for current Indian users. Other eligible Indians are not getting any services. Also the LNF does not project needs for sanitation and other public health programs. The tribal leaders budget added \$3-4B for new users and wrap-around services. Also the LNF study does not identify facility construction funds to bring the infrastructure up to par (additional \$8B). This is a way to support the immediate critical medical needs identified by LNF while allowing tribes to identify other needs not measured by LNF. It has been a remarkable year budget wise and we need to express appreciation to Congress and we need to show them progress that has been made. However, inflation continues to erode buying power and we have to bring this

to the attention of Congress as well.

Dr. McKenzie, Navajo Area-He spoke to the many diverse views heard during the two days.

Tom John, Nashville Area-He will focus his efforts on concentrating on the process because he hears that it is acceptable. He hears that it needs refinement and he has taken many notes and will give each comment due consideration. He will make certain that this formula is applied as best it can be both fairly and equitably.

Loren Ellery, Phoenix Area-He will concentrate on the accuracy of the data, the use of a health status indicator. It is very important that tribes get involved and validate their data.

Greg Pyle, OK Area-It appears people support the LNF, regarding the data it may be old but we need to be consistent we have to be careful not to use some old data and some new people. He enjoyed the process and liked hearing from each of the people who spoke and all of the differences that were highlighted. He thought this was a real good meeting where meaningful dialogue taking place. He appreciates Mr. Lincoln's support and his traveling all the way up here.

Jim Crouch, CA Area-discussed resource availability.

[Dennis Smith]-Thank you to the LNFWDG and the organization of the Tribal Caucus. He also thanks those who participated in the meeting yesterday. The majority of the time we are participating in a Government meeting. There were a lot of good points brought out during this meeting. We have to look out for those who don't have enough resources even to attend these meetings.

[Mickey Peercy]-"It doesn't make any difference what I have in my hand, it's what you have in your hand" This quote refers to comments of a blackjack dealer, which Mickey uses as metaphor for the LNFWDG members. He agrees with Mr. Smith and we shouldn't throw out the formula because of a few flaws.

[Sandra Johnson, Vice-Chairperson, Jamestown S'Kallalam]-Chairman Allen is still working on their position and will present it in DC. She appreciates this consultation process and the opportunity to speak. So many times they are invited to a meeting where they are talked to and do not have an opportunity to speak. There are some problems but we can work through them. Thank you the LNFWDG.